

Grant Thornton appointed Voluntary Administrators to the Ralan Group

1 August 2019

Said Jahani, Phil Campbell-Wilson and Graham Killer from Grant Thornton were appointed Voluntary Administrators to the Ralan Group on 30 July 2019. The Ralan Group specialises in the development, marketing and management of residential and commercial property in Sydney and the Gold Coast. It has a development pipeline of over 3,000 residential units which are in the construction or pre-sale stage as well as operating accommodation assets comprising over 600 rooms.

The Administrators are undertaking an urgent financial assessment of the Group and will be holding a first meeting of creditors shortly. While we are still conducting our initial investigation, there are a range of small to large creditors. The total value of creditors is still to be confirmed but initial indications are around \$500m owed across the group.

“In terms of the operating businesses within the Group, it is as far as possible, business as usual. We are working closely with key stakeholders to identify and preserve value for creditors,” said Said Jahani, National Managing Partner - Financial Advisory, Grant Thornton Australia.

Q&A

Q. What are the reasons for the company appointing Administrators?

A. At this stage we can reveal that the directors felt the company was in a stressed financial situation and decided that Voluntary Administration was the best path forward as the companies were either insolvent or likely to become insolvent.

Q. How many staff are employed by the Ralan Group?

A. There are approximately 300 – 350 people engaged across the Ralan Group.

Q. Who the main creditors are and roughly how much is owed?

A. We are still conducting our initial investigation – however there are a range of small to large creditors. The total value of creditors is still to be confirmed but initial indications are around \$500m owed across the group.

Q. When is the first creditors meeting?

A. The first meeting will be on 9 August 2019 in Sydney and this is closed to the media.

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Q. How many creditors have you contacted?

A. As of 31 July we contacted c. 1,800 creditors, of which c. 1,200 are apartment purchasers of Ralan developments.

Q. What is the impact on people who purchased apartments in Ralan developments?

A. For people who have purchased completed apartments which have settled there should be no material impact. We are still investigating options regarding the other developments in the pipeline which are yet to commence but have been pre-sold.

Q. What are the current projects still in development?

A. There are five projects. Ruby Tower 2, Tower 3 AND Tower 4 (Gold Coast). Sapphire (Gold Coast) and The Orchid (Arncliffe).

Q. What does this mean for projects under construction? Will they continue to be built and completed?

A. There is only one development presently under construction in Arncliffe (Sydney) – The Orchid at 213 Princes Highway, Arncliffe – and we are in discussions with the relevant stakeholders about the best way to proceed on this project in order to preserve value.

Q. What is the range of deposits paid for Ralan developments?

We have seen a wide range of value in terms of percentage of the purchase price in respect of deposits taken on developments.

Q. What does this mean for existing bookings at The Paradise Resort?

A. While the Administrators remain in control, it is business as usual for The Paradise Resort and people can be assured their existing bookings stand, and the resort is accepting future bookings at this point in time.

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